



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Bhandari Co-operative Bank Ltd., Dadar, Maharashtra – Penalised

The Reserve Bank of India has imposed a monetary penalty of Rs.5.00 lakh (Rupees Five Lakh only) on Bhandari Co-operative Bank Ltd., Dadar, Maharashtra in exercise of powers vested in it under the provisions of Section 47A(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) for violation of the Reserve Bank of India's directives. The Bank had :

- i) sanctioned unsecured advances beyond the ceiling of Rs.50,000/- prescribed to Grade IV bank having Demand and Time Liabilities (DTL) of more than Rs.10.00 crore, in violation of Reserve Bank of India's directive on maximum limit on unsecured advances to single party/connected group.
- ii) resorted to evergreening of accounts by closing non-performing loans, thus violating the RBI's guidelines on Income Recognition and Asset Classification (IRAC) and other related matters.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. Based on the reply, the Reserve Bank of India came to the conclusion that the violation was substantiated and warranted imposition of penalty. Accordingly, it penalised the bank.

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